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| <p style="text-align: right;">Page 269</p> <p>1 Did you ever consider at the time of these meetings<br/>2 whether you would accept in some scenario that<br/>3 resulted from negotiations that there would be an<br/>4 outcome to the restructuring where there would not be<br/>5 cuts to accrued vested pension amounts?<br/>6 A. That depends upon the proposal and the circumstances<br/>7 of that proposed outcome.<br/>8 Q. I think we're maybe misunderstanding each other. I'm<br/>9 not asking you what you would have done --<br/>10 A. Uh-huh.<br/>11 Q. -- had you gotten a certain proposal or what you would<br/>12 have done under some circumstances that did not occur.<br/>13 What I'm asking you is as to what your actual state of<br/>14 mind was at the time of these meetings. In your<br/>15 actual state of mind --<br/>16 A. Uh-huh.<br/>17 Q. -- did you have -- did you consider and did you think<br/>18 about that had there been certain negotiations that<br/>19 led down a certain path, did you in your mind consider<br/>20 that you might accept an outcome of the restructuring<br/>21 where there would not be cuts to accrued vested<br/>22 pension amounts?<br/>23 A. I was receptive as we said to anything, but that would<br/>24 depend upon the proposal.<br/>25 Q. Did you say at any of these meetings that you would be</p> | <p style="text-align: right;">Page 271</p> <p>1 June 14th meeting.<br/>2 A. Okay.<br/>3 Q. Do you have a recollection of any words you used to<br/>4 communicate to those in attendance that you were open<br/>5 to consider anything, if that's a fair<br/>6 characterization of your prior testimony? Did you use<br/>7 words to that effect and if so what were those words?<br/>8 A. I don't remember the exact words, but I think we<br/>9 expressed the sentiment that this is a proposal and<br/>10 we're open to discussions.<br/>11 Q. Well, that's a little different. I mean, to be open<br/>12 to discussion. I'm not asking you -- I think you<br/>13 testified a few minutes ago that you were open to<br/>14 anything and if I'm mischaracterizing that, correct<br/>15 me.<br/>16 A. Well, no, anything -- and I meant anything meaning<br/>17 anything in terms of discussions, that's why we styled<br/>18 this, we never called this a plan, we never called<br/>19 this a deal, we always called it a proposal because we<br/>20 were open for discussions, any response, meaning<br/>21 anything, so I think they're the same thing. I'm not<br/>22 trying to be cute in any fashion, I'm just saying we<br/>23 were open to responses, yes.<br/>24 Q. Did you ever say to the attendees at the meetings or<br/>25 communicate to the attendees in writing that the City</p> |
| <p style="text-align: right;">Page 270</p> <p>1 receptive to anything?<br/>2 A. No, I think we did say that, yes.<br/>3 Q. So you would have been receptive to an outcome where<br/>4 there would be no cuts in accrued vested pension<br/>5 amounts?<br/>6 A. That depends upon what the proposal was. We were<br/>7 receptive to hearing anything which we haven't heard,<br/>8 so yes.<br/>9 Q. And is that true today? Are you willing to consider<br/>10 an outcome to this restructuring effort where there<br/>11 would be no cuts to accrued vested pension amounts?<br/>12 A. That depends upon the terms of the proposal. That's<br/>13 -- that's -- we'll listen to -- we have said before<br/>14 and we'll say again, we'll listen to anything, but it<br/>15 depends upon the terms.<br/>16 Q. Okay.<br/>17 A. Your question's a hypothetical so I -- I don't -- it<br/>18 depends upon what the terms are.<br/>19 Q. Okay, well, we have a disagreement with whether my<br/>20 question is a hypothetical, but it is what it is.<br/>21 A. Okay.<br/>22 Q. I can only ask you to answer it to the best of your<br/>23 ability.<br/>24 A. That's the best of my ability.<br/>25 Q. Let me now ask you about what you actually said at the</p>                                                                                                                 | <p style="text-align: right;">Page 272</p> <p>1 would consider an outcome to the restructuring effort<br/>2 whereby there would be no cuts to accrued vested<br/>3 pension amounts?<br/>4 A. Did we ever communicate? I'm not sure that anyone on<br/>5 my team did. To the best of my knowledge, I don't<br/>6 recall doing that.<br/>7 Q. Okay. Did you ever -- you or your team ever<br/>8 communicate at the meetings or in writing to the<br/>9 creditors that you would be open to a result of the<br/>10 restructuring effort that would result in something<br/>11 less than significant cuts in accrued vested pension<br/>12 amounts?<br/>13 A. Let me -- this line of questioning, let me respond<br/>14 this way. I think it's fair to say that we<br/>15 communicated that we were open to discussions and<br/>16 suggestions and counterproposals. Depending upon what<br/>17 the term of those discussions, suggestions and<br/>18 counterproposals or anything were, we were willing to<br/>19 discuss them.<br/>20 Q. Let me turn your attention back to page 109 of the --<br/>21 of Exhibit 9, which is the June 14th proposal for<br/>22 creditors.<br/>23 A. Yes.<br/>24 Q. And I believe you were questioned about this earlier<br/>25 so I'll keep this short, but the fifth bullet point</p>                                                                              |



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| <p style="text-align: right;">Page 277</p> <p>1 based upon historical calculations and my obligations</p> <p>2 under the statute.</p> <p>3 MR. DeCHIARA: I would like to go off the</p> <p>4 record just for a minute. I may be done, I just want</p> <p>5 to consult with co-counsel.</p> <p>6 MR. SHUMAKER: Sure.</p> <p>7 THE VIDEOGRAPHER: Going off the record at</p> <p>8 5:26 p.m.</p> <p>9 (A brief recess was taken.)</p> <p>10 THE VIDEOGRAPHER: We're back on the record</p> <p>11 at 5:39 p.m.</p> <p>12 REEXAMINATION</p> <p>13 BY MR. ULLMAN:</p> <p>14 Q. Mr. Orr?</p> <p>15 A. Yes.</p> <p>16 Q. Just a few more questions for you.</p> <p>17 A. Sure, Mr. Ullman.</p> <p>18 Q. You are the -- let me withdraw that.</p> <p>19 The June 14th proposal that we've looked at</p> <p>20 was put forward by you in your capacity as Emergency</p> <p>21 Manager?</p> <p>22 A. Yes.</p> <p>23 Q. Does anyone besides you have authority to change or</p> <p>24 modify the terms of the proposal?</p> <p>25 A. Well, it's my proposal and under statute I have</p>                                                                                                                                                                                                                                                                                                                          | <p style="text-align: right;">Page 279</p> <p>1 movement on it.</p> <p>2 Q. So as things now stand, there's no plan to put forward</p> <p>3 anything else if the creditors and in particular the</p> <p>4 retirees do not agree to what's set out in the June</p> <p>5 14th proposal?</p> <p>6 A. As it stands right now, we don't have a plan.</p> <p>7 MR. ULLMAN: I have nothing further. Thank</p> <p>8 you, Mr. Orr.</p> <p>9 MR. SHUMAKER: Thank you, counsel.</p> <p>10 THE WITNESS: Thank you.</p> <p>11 THE VIDEOGRAPHER: Going off the record at</p> <p>12 5:41 p.m.</p> <p>13 (Discussion held off the record.)</p> <p>14 THE VIDEOGRAPHER: We're back on the record</p> <p>15 at 5:43 p.m.</p> <p>16 EXAMINATION</p> <p>17 BY MS. GREEN:</p> <p>18 Q. Hi, Mr. Orr. We've met before.</p> <p>19 A. Yes.</p> <p>20 Q. My name is Jennifer Green, I represent the two</p> <p>21 Retirement Systems for the City of Detroit.</p> <p>22 A. Yes, Jennifer -- Ms. Green. Good to see you again.</p> <p>23 Q. Thank you. Nice to see you again too.</p> <p>24 I have a question about Exhibit 11. I</p> <p>25 don't know if you have it in front of you or not.</p>                                               |
| <p style="text-align: right;">Page 278</p> <p>1 substantial discretion, but ultimately I report to the</p> <p>2 governor, but as far as this, no one else in the City</p> <p>3 does, no.</p> <p>4 Q. No one other than you?</p> <p>5 A. No one other than me.</p> <p>6 Q. Now, in connection with a Chapter 9 proceeding that's</p> <p>7 ongoing, in the event that you are unable to reach a</p> <p>8 consensual resolution, do you intend to withdraw the</p> <p>9 bankruptcy filing?</p> <p>10 MR. SHUMAKER: Objection, calls for</p> <p>11 speculation.</p> <p>12 A. Yeah, I don't know what we'll do at that point.</p> <p>13 Suffice it to say, if we can't reach a consensual</p> <p>14 resolution, there are serious questions about the City</p> <p>15 for a number of reasons.</p> <p>16 Q. And if the creditors and objectors do not agree to the</p> <p>17 terms that are set out in the June 14th proposal, do</p> <p>18 you intend to put forward a plan in the Chapter 9</p> <p>19 proceeding that treats pension contributions for</p> <p>20 retirees differently than the way those contributions</p> <p>21 are treated in the June 14th proposal?</p> <p>22 MR. SHUMAKER: Same objection.</p> <p>23 A. Yeah, I don't know what we intend to do. Suffice it</p> <p>24 to say, I think the proposal speaks for itself and</p> <p>25 we'll stand by that. We're hoping to get some</p> | <p style="text-align: right;">Page 280</p> <p>1 A. Okay.</p> <p>2 MR. SHUMAKER: Which one is that?</p> <p>3 MS. GREEN: It's the July 18th letter from</p> <p>4 the governor.</p> <p>5 MR. SHUMAKER: Thank you.</p> <p>6 A. Okay. It's in here. Here it is, got it. Okay.</p> <p>7 Q. Do you happen to know who within the governor's office</p> <p>8 drafted this letter?</p> <p>9 A. No, I do not.</p> <p>10 Q. Do you know if Jones Day had any input in drafting the</p> <p>11 July 18th letter?</p> <p>12 A. To the best of my knowledge I don't think they did.</p> <p>13 Q. Do you know if they had any input or saw a preview of</p> <p>14 the letter before it was delivered on the 18th?</p> <p>15 A. To the best of my knowledge they did not. I know I</p> <p>16 did not.</p> <p>17 Q. Did you have any specific conversations with the</p> <p>18 governor about this letter between July 16th and July</p> <p>19 18th?</p> <p>20 MR. SHUMAKER: Without counsel present?</p> <p>21 MS. GREEN: With the caveat without counsel</p> <p>22 present.</p> <p>23 A. Without counsel present? No.</p> <p>24 Q. Did you have any with counsel present?</p> <p>25 A. Yes, I believe on the morning of the 18th.</p> |



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1 State of Michigan)

2 County of Genesee)

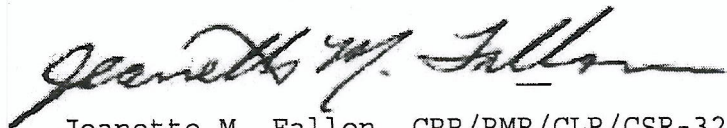
3 Certificate of Notary Public

4 I certify that this transcript is a complete, true and  
5 correct record of the testimony of the witness held in this  
6 case.

7 I also certify that prior to taking this deposition,  
8 the witness was duly sworn or affirmed to tell the truth.

9 I further certify that I am not a relative or an  
10 employee of or an attorney for a party; and that I am not  
11 financially interested, directly or indirectly, in the  
12 matter.

13 WITNESS my hand this 19th day of September,  
14 2013.

15  
16  
17 

18 Jeanette M. Fallon, CRR/RMR/CLR/CSR-3267

19 Certified Realtime Reporter

20 Registered Merit Reporter

21 Certified LiveNote Reporter

22 Certified Shorthand Reporter

23 Notary Public, Genesee, Michigan

24 Acting in Oakland County, Michigan

25 My Commission Expires: 9-19-18



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| <p>1 UNITED STATES BANKRUPTCY COURT<br/>2 EASTERN DISTRICT OF MICHIGAN<br/>3 SOUTHERN DIVISION<br/>4 -----X<br/>5 IN RE ) Chapter 9<br/>6 CITY OF DETROIT, MICHIGAN, ) Case No. 13-53846<br/>7 Debtor. ) Hon. Steven W. Rhodes<br/>8 -----X<br/>9<br/>10 CONTINUED VIDEOTAPED DEPOSITION of<br/>11 KEYVN D. ORR<br/>12 Volume II<br/>13 Washington, D.C.<br/>14 Friday, October 4, 2013<br/>15<br/>16<br/>17<br/>18 Pages: 308 - 496<br/>19 Reported by: Cindy L. Sebo, RMR, CSR, RPR, CRR,<br/>20 CCR, CLR, RSA<br/>21 Assignment Number: 14008<br/>22 File Number: 105824</p>                                                            | <p>Page 308</p> <p>1 APPEARANCES:<br/>2<br/>3 JONES DAY<br/>4 For the Debtor:<br/>5 51 Louisiana Avenue, Northwest<br/>6 Washington, D.C. 20001-2113<br/>7 202.879.3939<br/>8 BY: GREGORY M. SHUMAKER, ESQUIRE<br/>9 gshumaker@jonesday.com<br/>10 BY: DAN T. MOSS, ESQUIRE<br/>11 dtmoss@jonesday.com<br/>12<br/>13 DENTONS US LLP<br/>14 For the Retirees Committee:<br/>15 1221 Avenue of the Americas<br/>16 New York, New York 10020-1089<br/>17 212.632.8342<br/>18 BY: ANTHONY B. ULLMAN, ESQUIRE<br/>19 anthony.ullman@dentons.com<br/>20<br/>21<br/>22</p> <p>Page 310</p> |
| <p>1 October 4, 2013<br/>2 11:11 a.m.<br/>3<br/>4<br/>5 Continued Videotaped Deposition of KEYVN D.<br/>6 ORR held at the law offices of:<br/>7<br/>8 Jones Day<br/>9 51 Louisiana Avenue, Northwest<br/>10 Washington, D.C. 20001<br/>11<br/>12<br/>13<br/>14<br/>15<br/>16 Pursuant to notice, before Cindy L. Sebo,<br/>17 Registered Merit Reporter, Certified Shorthand<br/>18 Reporter, Registered Professional Reporter,<br/>19 Certified Real-Time Reporter, Certified Court<br/>20 Reporter, Certified LiveNote Reporter, Real-Time<br/>21 Systems Administrator, a Notary Public in and for<br/>22 the District of Columbia.</p> | <p>Page 309</p> <p>1 APPEARANCES (Continued):<br/>2<br/>3 LOWENSTEIN SANDLER LLP<br/>4 For the AFSCME:<br/>5 65 Livingston Avenue<br/>6 Roseland, New Jersey 07068<br/>7 973.597.2374<br/>8 BY: SHARON L. LEVINE, ESQUIRE<br/>9 slevine@lowenstein.com<br/>10<br/>11 COHEN, WEISS AND SIMON LLP<br/>12 For the United Auto Workers Union:<br/>13 330 West 42nd Street<br/>14 New York, New York 10036-6979<br/>15 212.356.0216<br/>16 BY: PETER D. DECHIARA, ESQUIRE<br/>17 pdechiara@cwsny.com<br/>18<br/>19<br/>20<br/>21<br/>22</p> <p>Page 311</p>                              |



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